

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

	Current year quarter 30/09/2020 RM'000	Preceding year corresponding quarter 30/09/2019 RM'000	Current year to-date 30/09/2020 RM'000	Preceding year corresponding period 30/09/2019 RM'000
Revenue from contracts with customers	19,260	37,845	61,948	104,301
Cost of sales	<u>(20,177)</u>	<u>(39,191)</u>	<u>(66,871)</u>	<u>(104,060)</u>
Gross (loss)/ profit	(917)	(1,346)	(4,923)	241
Other items of income				
Interest income	102	154	348	502
Other income	1,193	963	3,329	1,861
Other items of expense				
Administrative expenses	(1,470)	(1,980)	(4,681)	(6,278)
Other expenses	<u>(603)</u>	<u>(1,761)</u>	<u>(1,460)</u>	<u>(2,388)</u>
Loss before tax	(1,695)	(3,970)	(7,387)	(6,062)
Income tax	<u>428</u>	<u>1,940</u>	<u>1,762</u>	<u>2,119</u>
Loss net of tax, representing total comprehensive loss for the period	<u>(1,267)</u>	<u>(2,030)</u>	<u>(5,625)</u>	<u>(3,943)</u>
Loss net of tax attributable to:				
Owners of the Company	<u>(1,267)</u>	<u>(2,030)</u>	<u>(5,625)</u>	<u>(3,943)</u>
Loss per share attributable to owners of the Company:				
Basic (sen)	<u>(1.27)</u>	<u>(1.99)</u>	<u>(5.58)</u>	<u>(3.86)</u>
Diluted (sen)	<u>(1.27)</u>	<u>(1.99)</u>	<u>(5.58)</u>	<u>(3.77)</u>

This Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2019 and accompanying explanatory notes attached to these interim financial statements.

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020**

	As at 30/09/2020 RM'000	As at 31/12/2019 RM'000
Assets		
Non-current assets		
Property, plant and equipment	27,061	30,498
Investment properties	2,235	2,297
Intangible asset	149	149
Deferred tax assets	959	-
	<u>30,404</u>	<u>32,944</u>
Current assets		
Inventories	39,451	42,089
Trade and other receivables	1,315	6,734
Other current assets	6,586	4,496
Income tax refundable	2,909	2,266
Other current financial assets	51,871	53,589
Cash and bank balances	39,162	38,517
	<u>141,294</u>	<u>147,691</u>
Total assets	<u>171,698</u>	<u>180,635</u>
Equity and liabilities		
Current liabilities		
Trade and other payables	6,369	7,377
Contract liabilities	510	438
Other current financial liabilities	33	-
	<u>6,912</u>	<u>7,815</u>
Net current assets	<u>134,382</u>	<u>139,876</u>
Non-current liability		
Deferred tax liabilities	-	803
Total liabilities	<u>6,912</u>	<u>8,618</u>
Net assets	<u>164,786</u>	<u>172,017</u>
Equity attributable to owners of the Company		
Share capital	57,691	57,691
Treasury shares	(9,024)	(6,740)
Employee share option reserve	3,113	2,435
Retained earnings	113,006	118,631
Total equity	<u>164,786</u>	<u>172,017</u>
Total equity and liabilities	<u>171,698</u>	<u>180,635</u>
Net assets per share (RM)	<u>1.66</u>	<u>1.68</u>

This Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2019 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Current year to-date 30/09/2020 RM'000	Preceding year corresponding period 30/09/2019 RM'000
Operating activities		
Loss before tax	(7,387)	(6,062)
Adjustments for:		
Depreciation of investment properties	62	62
Depreciation of property, plant and equipment	3,733	4,016
Distribution income from money market funds	(1,094)	(886)
(Reversal of) allowance for impairment on log advances	(418)	2,297
Grant of equity-settled share options	678	1,552
Inventory written down	-	2,587
Interest income	(348)	(502)
Net loss/ (gain) on money market funds	97	(422)
Net fair value loss on derivatives - unrealised	248	371
Unrealised foreign exchange loss/ (gain)	75	(23)
Operating cash flows before changes in working capital	(4,354)	2,990
Decrease/ (Increase) in inventories	2,638	(4,382)
Decrease in trade and other receivables	5,401	6,568
(Increase)/ decrease in other current assets	(1,672)	2,585
Decrease in trade and other payables	(1,008)	(4,228)
Decrease/ (increase) in contract liabilities	72	(902)
Cash flows from operations	1,077	2,631
Interest received	337	491
Income tax received	-	1,659
Income tax paid	(643)	(3,889)
Net cash flows generated from operating activities	771	892
Investing activities		
Interest received	29	-
Distribution income from money market funds	1,094	886
Purchase of money market funds	(7,094)	(5,886)
Proceeds from disposal of money market funds	8,500	6,400
Purchase of property, plant and equipment	(296)	(5,034)
Net cash flows generated from/ (used in) investing activities	2,233	(3,634)
Financing activities		
Dividend paid	-	(5,133)
Purchase of treasury shares	(2,284)	(1,953)
Proceeds from exercise of employee share options	-	1,308
Net cash flows used in financing activities	(2,284)	(5,778)

This Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2019 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
 FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Current year to-date 30/09/2020 RM'000	Preceding year corresponding period 30/09/2019 RM'000
Net increase/ (decrease) in cash and cash equivalents	720	(8,520)
Effect of exchange rate changes on cash and cash equivalents	(75)	23
Cash and cash equivalents at 1 January	<u>38,131</u>	<u>51,417</u>
Cash and cash equivalents at 30 September	<u>38,776</u>	<u>42,920</u>
Analysis of cash and cash equivalents		
Cash and bank balances	39,162	43,306
Less: Deposits with maturity of more than three months	<u>(386)</u>	<u>(386)</u>
Cash and cash equivalents	<u>38,776</u>	<u>42,920</u>

This Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2019 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Treasury shares RM'000	Employee share option reserve RM'000	Retained earnings RM'000
Opening balance at 1 January 2019	182,810	182,810	55,759	(4,787)	1,097	130,741
Total comprehensive loss	(3,943)	(3,943)	-	-	-	(3,943)
Purchase of treasury shares	(1,953)	(1,953)	-	(1,953)	-	-
Grant of equity-settled share options	1,552	1,552	-	-	1,552	-
Exercise of employee share options	1,308	1,308	1,743	-	(435)	-
Dividends on ordinary shares	(5,133)	(5,133)	-	-	-	(5,133)
Closing balance at 30 September 2019	174,641	174,641	57,502	(6,740)	2,214	121,665
Opening balance at 1 January 2020	172,017	172,017	57,691	(6,740)	2,435	118,631
Total comprehensive loss	(5,625)	(5,625)	-	-	-	(5,625)
Purchase of treasury shares	(2,284)	(2,284)	-	(2,284)	-	-
Grant of equity-settled share options	678	678	-	-	678	-
Closing balance at 30 September 2020	164,786	164,786	57,691	(9,024)	3,113	113,006

This Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2019 and accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

**PART A -
EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM
FINANCIAL REPORTING**

A1. Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 September 2020, have been prepared in accordance with MFRS134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). These condensed consolidated interim financial statements also comply with IAS34: Interim Financial Reporting issued by the International Accounting Standards Board.

The explanatory notes attached to the unaudited interim financial report provide an explanation of the event and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 31 December 2019. They do not include all the information required for full annual financial statements and should be read in conjunction with the Group’s financial statements for the financial year ended 31 December 2019.

A2. Significant accounting policies

The significant accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2019 of the Group, except for the adoption of the following new MFRSs, Amendments to MFRSs and Interpretations effective for financial period beginning on or after 1 January 2020:

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and 108	Definition of Material

The adoption of the above MFRSs, Amendments to MFRSs and Interpretations did not have any material financial impact on these condensed consolidated financial statements.

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 June 2020

Amendments to MFRS 16	Covid-19-Related Rent Concessions
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MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFR 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

A2. Significant accounting policies (continued)

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020	

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current

MFRSs, Interpretations and Amendments which effective for a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between Investors and its Associate or Joint Venture
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The directors anticipate that the abovementioned MFRSs, Interpretations and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these MFRSs, Interpretations and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

A3. Seasonal or cyclical factors

The Group's business operation and performance are not affected materially by any seasonal or cyclical factors for the financial quarter under review.

A4. Items of unusual nature

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow in the quarterly financial statements.

A5. Material changes in estimates

There were no changes in estimates of amounts reported in either the prior interim period of the current financial period or prior financial years that have had a material effect on the results during the current quarter and financial period-to-date.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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A6. Changes in debt and equity securities

Purchase of shares pursuant to Section 127 of the Companies Act 2016

During the period ended 30 September 2020, the Company had acquired 3,048,300 units of ordinary shares from the open market for a cash consideration of RM2.28 million. The share buy-back was made pursuant to the approval obtained from the Company's shareholders at the Company's Annual General Meeting held on 21 September 2020 and amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements arising from the implementation of the Companies Act 2016. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act 2016.

Other than the above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

A7. Dividend paid

No dividend payment was made during the period ended 30 September 2020.

A8. Segment reporting

The Group is organised into business units based on their products and services, and has two reportable operating segments as follows:-

- i. Manufacturing segment - manufacturing and sale of plywood, veneer and laminated veneer lumber (LVL).
- ii. Electricity segment - generation and sale of electricity.

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segment:

	Manufacturing RM'000	Electricity RM'000	Adjustment/ Elimination RM'000	Total RM'000
<u>Period ended 30 September 2020</u>				
Revenue				
External sales	61,775	173	-	61,948
Inter-segment sales	-	1,580	(1,580)	-
	61,775	1,753	(1,580)	61,948
Results				
Segment loss	(6,688)	(1,732)	1,033	(7,387)
Segment assets as at 30 September 2020	110,894	5,759	55,045	171,698
Segment liabilities as at 30 September 2020	6,857	55	-	6,912

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

A8. Segment reporting (continued)

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segment:

	Manufacturing RM'000	Electricity RM'000	Adjustment/ Elimination RM'000	Total RM'000
<u>Period ended 30 September 2019</u>				
Revenue				
External sales	103,969	332	-	104,301
Inter-segment sales	-	3,308	(3,308)	-
	<u>103,969</u>	<u>3,640</u>	<u>(3,308)</u>	<u>104,301</u>
Results				
Segment (loss)/ profit	(5,704)	396	1,365	(3,943)
Segment assets as at 31 December 2019	<u>119,254</u>	<u>5,730</u>	<u>55,651</u>	<u>180,635</u>
Segment liabilities as at 31 December 2019	<u>7,687</u>	<u>128</u>	<u>803</u>	<u>8,618</u>

The following items are added to segment profit to arrive at total profit before tax reported in the unaudited condensed consolidated statement of comprehensive income:

	Current year to-date 30/09/2020 RM'000	Preceding year corresponding period 30/09/2019 RM'000
Interest income from fixed deposit	11	11
Distribution income from money market funds	1,094	886
Net (loss)/ gain on money market funds	(97)	422
Rental income from investment properties	176	198
Depreciation of investment properties	(62)	(62)
Direct operating expenses arising from investment properties	(89)	(90)
	<u>1,033</u>	<u>1,365</u>

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

A8. Segment reporting (continued)

The following items are added to segment assets to arrive at total assets reported in the unaudited condensed consolidated statement of financial position:

	As at 30/09/2020	As at 31/12/2019
	RM'000	RM'000
Money market funds	51,851	53,354
Investment properties	2,235	2,297
Deferred tax assets	959	-
	55,045	55,651

The following items are added to segment liabilities to arrive at total liabilities reported in the unaudited condensed consolidated statement of financial position:

	As at 30/09/2020	As at 31/12/2019
	RM'000	RM'000
Deferred tax liabilities	-	803

A9. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter.

A10. Change in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

A11. Capital commitments

There were no material capital commitments subsequent to the end of the current financial quarter.

A12. Material events subsequent to the reporting period

There were no material events subsequent to the end of the current financial quarter that have not been reflected in the interim financial statements under review.

A13. Changes in composition of the Group

There were no changes in the composition of the Group for the current financial quarter.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

A14. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the period ended 30 September 2020 and 30 September 2019 as well as the balances with the related parties as at 30 September 2020 and 31 December 2019:

Nature of transactions	Transactions value for period ended		Balance outstanding as at	
	30/09/2020	30/09/2019	30/09/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Sales of electricity to a related party ^	173	332	100	84
Rental paid to a director	120	142	-	-

^ Related party is a company in which a director, Lin Hao Yu has interest.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

**PART B -
ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD
(PART A OF APPENDIX 9B)**
B1. Review of performance of the Group
(a) Comparison of the current quarter against the corresponding quarter

	Current year quarter 30/09/2020 RM'000	Preceding year corresponding quarter 30/09/2019 RM'000	Changes %
Revenue	19,260	37,845	-49.1
Operating loss	(1,984)	(4,406)	-55.0
Non-operating income	289	436	-33.7
Loss before tax	(1,695)	(3,970)	-57.3
Loss after tax	(1,267)	(2,030)	-37.6
Loss attributable to owners of the parent	(1,267)	(2,030)	-37.6

The Group recorded revenue of RM19.26 million (which consist of RM19.16 million from the manufacturing segment and RM0.10 million from the electricity segment respectively) in current quarter under review, a 49% decrease as compared to previous year's corresponding quarter. Lower revenue in current quarter was mainly due to the impact from RMCO (Recovery Movement Control Order) imposed by the government. During this period, the Group's operation hour and workforce were limited. In addition, shortage in logs supply further reduced our production in current quarter which indirectly affected our sales.

Operating loss in current quarter amounted to RM1.98 million, improved from an operating loss of RM4.41 million recorded in corresponding quarter of previous year. Lower operating loss was mainly due to previous year's corresponding quarter had included written down of certain finished goods and allowance for impairment on logs advances of approximately RM1.95 million in total. In contrasts, operating loss in current quarter under review included a reversal of RM0.42 million on the allowance provided in previous year.

Non-operating income of the Group had also reduced by approximately 34% which were mainly due to lower gain generated from the money market funds after several OPR cut by the Central Bank of Malaysia this year.

As a result of aforementioned, the Group recorded loss before tax of RM1.70 million in current quarter under review, a decrease of RM2.27 million as compared to corresponding quarter of preceding year. Correspondingly, loss after tax reduced by approximately 38% to RM1.27 million in current quarter.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

B1. Review of performance of the Group (continued)

(b) Comparison of current year to-date against the corresponding period

	Current year to-date 30/09/2020 RM'000	Preceding year corresponding period 30/09/2019 RM'000	Changes %
Revenue	61,948	104,301	-40.6
Operating loss	(8,420)	(7,427)	13.4
Non-operating income	1,033	1,365	-24.3
Loss before tax	(7,387)	(6,062)	21.9
Loss after tax	(5,625)	(3,943)	42.7
Loss attributable to owners of the parent	(5,625)	(3,943)	42.7

The Group recorded revenue of RM61.95 million (which consist of RM61.78 million from the manufacturing segment and RM0.17 million from the electricity segment respectively) in current year to-date, a decrease of approximately 41% as compared to preceding year corresponding period. The decrease was mainly due to lower sales volume as a result of the outbreak of Covid-19 this year. Production of the Group was affected by the standard operating procedures imposed by the government which resulted in lower sales volume in current year to-date.

The recovery of the Group was affected by this pandemic as low production volume had caused higher production cost per m3. The Group had recorded operating loss of RM8.42 million in current year to-date, which was 13% higher as compared to preceding year corresponding period. This was mainly due to lower sales as well as the failure to achieve economy-of-scale in our production process. On the other hand, non-operating income had decreased by 24% which was mainly due to the decrease in gain recognised from money market funds.

For the period ended 30 September 2020, the Group had recorded loss before tax of RM7.39 million (2019: RM6.06 million) while loss after tax stood at RM5.63 million (2019: RM3.94 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

B2. Comparison with immediate preceding quarter's results

	Current year quarter 30/09/2020 RM'000	Immediate preceding quarter 30/06/2020 RM'000	Changes %
Revenue	19,260	9,809	96.4
Operating loss	(1,984)	(3,690)	-46.2
Non-operating income	289	327	-11.6
Loss before tax	(1,695)	(3,363)	-49.6
Loss after tax	(1,267)	(2,553)	-50.4
Loss attributable to owners of the parent	(1,267)	(2,553)	-50.4

Revenue in current quarter under review had doubled as compared to immediate preceding quarter as operation of the Group proceed as normal during the RMCO period except there was only one shift was allowed for manufacturing activities. Others such as shipping and forestry related activities had also resumed which our export sales were not affected as compared to the MCO period in immediate preceding quarter.

As compared to immediate preceding quarter, operating loss of the Group had decreased by 46% to RM1.98 million. This was mainly due to a more relax operating procedures during the RMCO which allowed the Group to continue running the business activities. However, non-operating income had dropped by approximately 12% comparatively as a result of the OPR cut in current year.

In overall, the Group's performance in current quarter was better as compared to immediate preceding quarter. Loss before and after tax of the Group were RM1.70 million and RM1.27 million respectively, representing a decrease of approximately 50% as compared to immediate preceding quarter.

B3. Prospects for the remaining period of current financial year

The recovery of the Group's business remains in doubt as long as the pandemic does not end. This is because the restriction in operating day/time and workforce reduces our production volume and hinders the Group from achieving economy-of-scale. Apart from such restriction, shortage in manpower is another factor causing the decrease in production as the government has frozen the new hiring of foreign workers. The management will be actively looking for local workers as replacement as well as improving the production efficiency in order to limit the said impact. Due to this, the prospect of the Group in the final quarter of current financial year remains cautious as such operation restriction may prolong until some time until the spread of Covid-19 can be curbed. However, the Board of Directors and the management are always in their best capacity to find operation synergy and business opportunity to strike the best result for the Group.

B4. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial year.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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B5. Income tax

	Current year quarter 30/09/2020	Preceding year corresponding quarter 30/09/2019	Current year to-date 30/09/2020	Preceding year corresponding period 30/09/2019
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	-	(96)	-	1
- Over provision in respect of prior years	-	(937)	-	(937)
	-	(1,033)	-	(936)
Deferred income tax:				
- Origination and reversal of temporary differences	(431)	(917)	(1,765)	(1,193)
- Under provision in respect of prior years	3	10	3	10
	(428)	(907)	(1,762)	(1,183)
Income tax	(428)	(1,940)	(1,762)	(2,119)

The effective tax rate for current quarter approximates the statutory tax rate. The effective tax rate for corresponding quarter of previous financial year was higher than the statutory tax rate principally due to recognition of over provision in prior years due to the Group's eligibility for a reduced income tax rate on the incremental portion of its chargeable income in YA2018 as compared to YA 2017.

B6. Status of corporate proposals

There were no corporate proposals announced or not completed by the Group as at the date of this report.

B7. Borrowings

The Group has no borrowings as at 30 September 2020.

B8. Material litigations

There were no material litigations since the last financial year ended 31 December 2019 and up to the date of this report.

B9. Dividends

No interim dividend has been declared during the quarter under review.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

B10. Auditors' report

There was no qualification to the audited financial statements of the Company and its subsidiary for the financial year ended 31 December 2019.

B11. Loss per share

Basic loss per share are calculated by dividing the loss for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period. For diluted loss per share calculation, the weighted average number of ordinary shares in issue was adjusted to assume that the maximum number of new ordinary shares have been issued pursuant to the share options granted under the Employees' Share Option Scheme ("ESOS"). The dilutive portion of the ordinary shares deemed issued pursuant to the ESOS are accounted for in the diluted (loss)/ earnings per share calculation. The ESOS will have a dilutive effect only when the average market price of ordinary shares of the Company during the period exceeds the exercise price of options granted.

	Current year quarter 30/09/2020	Preceding year corresponding quarter 30/09/2019	Current year to-date 30/09/2020	Preceding year corresponding period 30/09/2019
Loss net of tax, attributable to owners of the parent used in the computation of loss per share (RM'000)	(1,267)	(2,030)	(5,625)	(3,943)
Weighted average number of ordinary shares in issue ('000)	99,610	102,055	100,835	102,234
Effects of dilution:				
- Employee share options	-	-	-	2,300
Weighted average number of ordinary shares for diluted loss per share computation ('000)	99,610	102,055	100,835	104,534
Basic loss per share (sen per share)	(1.27)	(1.99)	(5.58)	(3.86)
Diluted loss per share (sen per share)	(1.27)	(1.99)	(5.58)	(3.77)

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B12. Derivative financial instruments

As at 30 September 2020 and 31 December 2019, the Group has the following outstanding derivatives financial instruments:

	Principal or	Fair value	
	Notional Amount	Assets	Liabilities
	RM'000	RM'000	RM'000
<u>30 September 2020</u>			
Foreign currency forward contract:			
- Less than 1 year	10,804	20	33
<u>31 December 2019</u>			
Foreign currency forward contract:			
- Less than 1 year	13,712	235	-

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

The fair value changes are attributable to changes in foreign exchange spot and forward rate. Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and forward rate curves.

(Incorporated in Malaysia)

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 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

B13. Loss before tax

The following amounts have been included in arriving at loss before tax:

	Current year quarter 30/09/2020	Preceding year corresponding quarter 30/09/2019	Current year to-date 30/09/2020	Preceding year corresponding period 30/09/2019
	RM'000	RM'000	RM'000	RM'000
Interest income	(102)	(154)	(348)	(502)
Distribution income from money market funds	(248)	(305)	(1,094)	(886)
Net (gain)/ loss on money market funds	(26)	(107)	97	(422)
Rental income	(62)	(72)	(192)	(215)
Rental of office premises	48	48	120	142
Inventory written down	-	451	-	2,587
(Reversal of) allowance for impairment on log advances	(418)	1,497	(418)	2,297
Depreciation of property, plant and equipment	1,245	1,363	3,733	4,016
Depreciation of investment properties	21	21	62	62
Direct operating expenses arising from investment properties:				
- rental generating properties	25	25	89	90
Net fair value (gain)/ loss on derivatives:				
- realised	(409)	94	1,040	(280)
- unrealised	106	170	248	371
Net loss/ (gain) on foreign exchange:				
- realised	471	(270)	(1,496)	(107)
- unrealised	26	(144)	75	(23)